

CLASSIFICATION **RESTRICTED**CENTRAL INTELLIGENCE AGENCY
INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS

REPORT

STAT

CD NO.

COUNTRY Communist China
SUBJECT Economic - Industry
HOW PUBLISHED Daily newspapers
WHERE PUBLISHED Hong Kong
DATE PUBLISHED 7 - 14 Jun 1949
LANGUAGE Chinese

DATE OF INFORMATION 1949

DATE DIST. 7 Jul 1949

NO. OF PAGES 3

SUPPLEMENT TO
REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE
OF THE UNITED STATES WITHIN THE MEANING OF ESPIONAGE ACT 50
U. S. C. 31 AND 32, AS AMENDED. ITS TRANSMISSION OR THE REVELATION
OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PRO-
HIBITED BY LAW. REPRODUCTION OF THIS FORM IS PROHIBITED.

THIS IS UNEVALUATED INFORMATION

SOURCE Newspapers as indicated.

COMMUNISTS RESTORING PRODUCTION
IN LIBERATED AREA FACTORIES

STATE TEXTILE MILLS RESTORING EQUIPMENT -- Wen-hui Pao, 7 Jun 49

Although confronted by many difficulties, the government-operated textile mills in Northeast China are rapidly being rehabilitated.

As a result of the great destruction by the KMT, there are now only 280,000 spindles and 5,000 looms remaining in the Northeast. Of these, 120,000 spindles and 1,400 looms are now in operation and the others are undergoing repair. By the end of 1949, 70,000 spindles and 5,000 looms are expected to be rehabilitated. By next spring the remainder should be completed.

Repair work, however, has encountered many difficulties. For example, to restore machines for 160,000 spindles requires more than one million machine parts of all sizes, most of which must be reclaimed from damaged equipment since there are no large machine-parts manufacturing plants in the Northeast. Nevertheless, 100,000 spindles were repaired in 1948, resulting in an output of 31,000 parcels of yarn and 260,000 bolts of cloth.

Before leaving An-tung, the KMT completely destroyed the An-tung Textile Mill. Reconstruction work was started in 1947, when the original 25,000 square meters of floor space were rebuilt and machinery installed. In 1948, additional floor space of 35,000 square meters was constructed and equipped. Other facilities, such as dining room, living quarters, and clubrooms were also completed. A total of 35,000 spindles were repaired and placed into operation. The KMT also destroyed part of the Wan-tang-tien Textile Mill, but it was rebuilt quickly and already the factory has 45,000 spindles in operation. Other mills like those at Chia-mu-ssu and Mu-tan-chiang have been restored and 30,000 spindles are now producing yarns and cotton cloth.

- 1 -

RESTRICTED

CLASSIFICATION		DISTRIBUTION									
STATE	<input checked="" type="checkbox"/> NAVY	<input checked="" type="checkbox"/> NSRB									
ARMY	<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> FBI									

RESTRICTED

STAT

Some of the requirements for restoring Northeast China cotton mills are:

1. Overcoming shortages of machine-parts, accessories, and raw cotton. Annual raw cotton consumption of mills in the Northeast is 70 million catties [1 catty equals 1.3 pounds]. Native raw cotton can supply only half of this demand. The other half must be imported.
2. Application of modern scientific techniques and methods to increase production and reduce costs.
3. Keeping accurate computations of cost and output in each cotton mill.
4. Reduction in excessive use of raw cotton. According to the average of five mills in the Northeast, it requires 473 pounds of cotton to make a 16-piece parcel of yarn. This exceeds standard needs by 17 pounds.

AMMONIUM FACTORY RESUMES PRODUCTION -- Ta Kung Pao, 12 Jun 49

Shang-hai, 11 Jun 49 (MCNA) -- The privately operated Yung-li ammonium plant at P'u-k'ou has resumed production with the aid of capital loaned by the Manchong branch of the People's Bank of China. The plant supplies fertilizer materials for agricultural operations both north and south of the Yang-tsu Chiang. Retraining KMT armies intended to destroy this plant, but the 2,000 workers organized and protected it. The People's Bank bought 80 tons of surplus sulfur from the company for 21 million yuan to provide capital for reopening.

A total of 3,231 tons of coal has been secured from Ho-fei (1170, 9366) and Nan-ching to meet immediate fuel needs.

NORTH CHINA STEEL, IRON PRODUCTION PLANNED -- Wen-hui Pao, 13 Jun 49

Production policies were outlined at a recent conference of North China steel and iron mill operators. Production plans for the following units, which are controlled by the North China Iron and Steel Corporation, are as follows:

1. The Shih-ching-shan (Ueda: 7954, 4558, 252) mill is to manufacture large-scale iron and steel products.
2. The T'ien-ching (Tientsin) Mill is to manufacture miscellaneous products.
3. The Tang-shan (1342, 2528) Mill is to manufacture special steel products.
4. The Ku-yeh (1142, 6055) Mill is to manufacture fire-resistant materials.
5. The Lung-yen (14876, 6901) mines are to provide raw materials for Shih-ching-shan and other mills.

This division of production is designed to obtain maximum efficiency from existing machinery.

T'IENTSIN CONVERTS FACTORIES TO PEACETIME PRODUCTION -- Ta Kung Pao, 14 Jun 49

Now that North China is entirely liberated, expansion of production is of primary consideration. Therefore, a portion of factories devoted to manufacturing military goods has been converted to peacetime production. On 1 June 1949 the Municipal Enterprise Corporation of the T'ien-ching Public Utilities Bureau assumed control of a needlework factory, rubber products factory, and woolen mill from the T'ien-ching Military Control Commission.

- 2 -

RESTRICTED

RESTRICTED

STAT

The needlework factory is the largest of its kind in North China, employing 500 workers in two plants. There are over 400 stocking machines at this mill, of which one third are now being operated. If all 400 machines were to be operated, they would require double the present number of workers and 600 pieces of yarn per month. This mill has been manufacturing stockings for military use, but now it is gradually changing its products to civilian stockings, coarse cotton yarns, and towels.

The rubber factory has more than 700 workers. It has been manufacturing about 10,000 pairs of military shoes each day, but is now manufacturing automobile inner tubes and tires and machine belts, using about 30 tons of rubber each day.

The woolen mill, which has been modernized and is now very complete, employs over 600 workers. The main products of this mill are wool blankets and woolen goods for military use, totaling about 40,000 meters each month.

- E N D -

- 3 -

RESTRICTED